Merger of BRPL with IBP

*362. SHRI DRUPAD BORGOHAIN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government propose to make Bongaigaon Refinery and Petrochemicals Ltd. (BRPL), a subsidiary unit of Indo-Burma Petroleum (IBP); and

(b) whether any steps have been taken to merge BRPL with IBP?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK):

(a) There is no such proposal before Government at the present.

(b) Docs not arise.

SHRI DRUPAD BORGOHAIN: Madam, the Bongaigaon Refinery and Petrochemicals Ltd. (BRPL), is a vertically integrated company under the administrative control of the Ministry of Petroleum and Natural Gas. It was formed in February 1974 and it is more than a two-decade old company. BRPL has consolidated a vibrant business organisation in the entire country, particularly, in the North-East. This is one of the profitable concerns among the PSUs in Assam.

Madam, the Government is going the disinvest its equity in this profitable company. It has already disinvested 25.54 per cent of its equity on 31.3.1998. Dr. Nitish Sen Gupta Committee has recommended selling of the entire Government shares of BRPL to ICO and making it is subsidiary. But all oil workers and employees of Assam through their unions opposed this disinvestment and have demanded its merger with the ICO and making it a division of the ICO instead of making it a subsidiary of the IOC. Moreover, 25 Members of Parliament from the North-East, irrespective of political affiliations, in a signed memorandum, have said that they are also of the firm opinion that BRPL should be merged with IOC in the interest of the development of petro-chemical resources properly.

THE DEPUTY CHAIRMAN: Let the hon. Minister answer so that you can ask your second supplementary.

SHRI DRUPAD BORGOHAIN: Madam, my question is not yet over.

THE DEPUTY CHAIRMAN: All right. Please put your question.

SHRI DRUPAD BORGOHAIN: Madam, these Members of Parliament arc also opposed to making it a subsidiary of IOC because they think that making BRPL a subsidiary of IOC, as proposed by the Sengupta Committee, cannot lead to the development of petrochemical resources fully to our expectations. So, I would like to know what the Ministry is thinking about it. I would further like to know whether....

THE DEPUTY CHAIRMAN: Please take your seat. Let the hon. Minister first answer this question.

SHRI RAM NAIK: Madam, the information given by the hon. member is factually correct. Some MPs have given a memorandum to the Government. The memorandum is being examined. So far as the Sengupta Committee's recommendations are concerned, they are also being examined. Madam, only last week, Mr. Sen Gupta has submitted some more recommendations. But so far this particular company, the Bongaigaon Refinery and Petrochemicals Ltd., is concerned, it is true that it is a small company. It has to be amalgamated or merged so that the employees there are protected and the production capability is also secured. The Government is seriously considering it. I can assure the hon. Member at this stage that the interests of the employee will be safeguarded properly.

SHRI DRUPAD BORGOHAIN: Madam, my second supplementary is, the whole North-Eastern Region is backward in regard to industrial development. A certain unhealthy situation is also prevailing over there. Moreover, the region's infrastructure is poorly maintained. Under such conditions, if the Government is not going to take up the industrial development of the region seriously, only private sector investment cannot help much. So, the logic of disinvestment will greatly harm the interests of region. Will the Minister consider these points while going in for disinvestment of shares of the BRPL?

SHRI RAM NAIK: Madam, it is true that Assam and other North-Eastern States are very backward industrially. Now, if this comapny is disinvested and after it is disinvested, it goes to the IOC as is being demanded----------this matter is under consideration—then, that will help in developing the petro-chemical industries in Assam. The problem with Assam and other North-Eastern States is that we have enough scope to develop it, but becuase of the law and order problem, wc arc not in a position to develop it fully. But I am trying my best to ensure that further production is stepped up in the North-Eastern States including Assam.

DR. ARUN KUMAR SARMA: Madam, I thank the hon. Minister for his commitment that the BRPL will be merged with the IOC. In this connection, I would like to know from the Minister of Petroleum and Natural Gas whether he has any modernisation plans for the BRPL; and also for the Guwahati and Digboi refineries of Assam in view of the present day requirements.

The sccdrid part of my supplementary is the gas cracker project has beca-rJelaycd due to the delay in gas linkage commitment by the Ministry of Petroleum. I would like to know from the Minister of Petroleum and Natural Gas whether any specific plan has been contemplated by his Ministry to increase the productivity of natural gas and also to expedite the commissioning of the gas crakcer project.

SHRI RAM NAIK: The main question pertains to the Bongaigaon Refinery and Petro-Chemicals Ltd. The hon. Member has put a wider question. I want, a notice for it.

DR. ARUN KUMAR SARMA: Madam, what about the first part of my supplementary? .

उपसभापति : इनके फर्स्ट पार्ट का जवाब दे दीजिए।

SHRI RAM NAIK: Madam, regarding the first part of the hon. Member's question, for further development, of the Bongaigaon refinery, we are trying our best to ensure that.it is developed. But the difficulty is that, it is a small company, the capital is less. So. after the proposal of disinvestment and taking over is considered, then, further expansion programme can be considered.

SHRI SURESH A. KESWANI: Madam Deputy Chairman, I think the reply of the Minister of Petroleum and Natural Gai to the question put by Dr. Arun Kumar Sarma is not very accurate. The Bongaigaon refinery has got downstream capability to manufacture DMT. The Government of India, in their wisdom, have so far not thought it proper to put a significant amount of investment in exploiting the capabilities which exist in North-Eastern region. As a result of this, there is no expansion in the employment potential in that area. As a result of this, we have young people who have no jobs; and we have law and order problem there. We have raw materials. We have natural resources available in that area. My question is: Will the Minister of Petroleum and Natural Gas examine this matter *de novo* to develop the downstream industry in this petrochemical significant area? Will he commit a significant sum for the development of downstream industries to restore the confidence of the people of Assam; and the Government of India does not consider that part merely as a colony, but as a part of of this country?

SHRI RAM NAIK: Madam, the Member is right. This is a company, as I said, with a share capital of hardly Rs. 200 crores. So, it needs to be expanded and if it is to be expanded, all the natural avenues of Assam and North-Eastern States are to be exploited. It needs expansion and, from that angle only, I replied that petrochemicals and others would be expanded in Assam. There have been some difficulties of law and order situation. As soon as we overcome these difficulties with the help of the State Government, we will certainly expand the activities of petro-chemcials in this region.

श्री गया सिंह : उपसभापति महोदया, मंत्री जी ने अभी कहा कि हम उसे मर्जर करने जा रहे हैं मजदूरों के इंटरस्ट के सेफ गार्ड के लिए। मैं स्नेसिफिकली उनसे पूछना चाहता हूं कि क्या दोनों यूनिट की ट्रेड यूनियन्स से वार्ता करेंगे क्यों यहां सिर्फ से? गार्ड से मतलब नहीं हैं। उनकी मौलिक चीजों जैसे डी0ए0 तथा जो लंबे समय से सर्विसस में हैं उनकी नौक्री का सवाल, दूसरी कंडीशन्स का सवाल हैं। क्याप आप दोनों यूनियन्स से बातचीत करके मर्ज करने का काम आगे बढ़ाएंगे।

श्री राम नाईक : उपसभापति महोदया, कोई गलतफहमी न रहे इसलिए मैंने कहा कि "It is under active consideration". का फैसला लिया हो, ऐसा नहीं हैं। जहां तक यूनियन्स को विश्वास में लेने का सवाल है उसके लिए वहां की नार्थईस्टर्न रीजन ऑयल्स

वर्कर्स को आर्डिनेशन कमेटी, जिस पर सभी यूनियन्स करती हैं से इस विषय में चर्चा हुई हैं और उन्हें आश्वासन दिया हैं कि हम उनके हितों की रक्षा की कोशिश करेंगे तथा कोई अंतिम फैसला लेने से पहले हम इस पर अवश्य विचार करेंगे।

SHRI DIPANKAR MUKHERJEE: Madam, if you see the question, you will find that it is regarding the amalgamation of the Bongaigaon Refinery with the IBP. I complement what he had been telling. This story is going for the law two or three years. There was a talk of integrating the Bongaigaon Refinery with the IBP. Then it was a question of amalgamation with the IOC. That too has not been decided. With the result, whereas the programmes for diversification and expansion of the Bongaigaon Refinery have been pending for years together, 4-5 years, it is the ownership business which is coming in the way of diversification. Today aslo, the Minister is not sure whether he is going to amalgamate it with the IOC or he is going to merge it with the IOC. I would like him to have the industry in mind. It is not only a question of workers but the industry itself. For the industry's sake the Government must commit right now that they wiU go for the investment for diversification of the Bongaigaon Refinery. Most of the Members have taken it as if you are agreeing for a merger. Are you now committing yourself to merger as well as for diversification of the Bongaigaon Refinery. That will give a good signal. Would you kindly assure us of that?

SHRI RAM NAIK: Madam, as I have already said, the Sengupta Committee's report has been received recently. Only last week, he has given further recommendations. Now, when the Committee itself gives recommendations, supplementary recommendations, in the last week, naturally, it would take some time. But I would assure this. Earlier, there had been the practice of delays. So far as this Ministry,, this structure, is concerned, there would not be any delay. We will certainly try to do it. The IBP is not being considered only becuase it is another small company. Two small companies would not be in a position to develop the petroleum industry in a proper way in Assam and the North-Eastern States. That is why, we will certainly expand the total petroleum sector of Assam and the North-Eastern States. All care will be taken and we are actively considering as to how we can expand it. That is why the question of merger, disinvestment, is being actively considered. .